
HOUSE BILL 2733

State of Washington 60th Legislature 2008 Regular Session

By Representatives Newhouse and Pettigrew

Read first time 01/16/08. Referred to Committee on Finance.

1 AN ACT Relating to clarifying the requirements for qualifying for
2 the sales and use tax exemptions for livestock nutrient management
3 equipment and facilities; and amending RCW 82.08.890 and 82.12.890.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 82.08.890 and 2006 c 151 s 2 are each amended to read
6 as follows:

7 (1) The tax levied by RCW 82.08.020 does not apply to sales to
8 eligible persons of services rendered in respect to operating,
9 repairing, cleaning, altering, or improving of livestock nutrient
10 management equipment and facilities, or to sales of tangible personal
11 property that becomes an ingredient or component of the equipment and
12 facilities.

13 (2)(a) To be eligible, the equipment and facilities must be used
14 ((~~exclusively~~)) primarily for activities necessary to maintain a
15 livestock nutrient management plan.

16 (b) The exemption applies to sales made after the livestock
17 nutrient management plan is: (i) Certified under chapter 90.64 RCW;
18 (ii) approved as part of the permit issued under chapter 90.48 RCW; or

1 (iii) approved as required under subsection (4)(c)(iii) of this
2 section.

3 (3)(a) The department of revenue must provide an exemption
4 certificate to an eligible person upon application by that person. The
5 department of agriculture must provide a list of eligible persons, as
6 defined in subsection (4)(c)(i) and (ii) of this section, to the
7 department of revenue. Conservation districts must maintain lists of
8 eligible persons as defined in subsection (4)(c)(iii) of this section
9 to allow the department of revenue to verify eligibility. The
10 application must be in a form and manner prescribed by the department
11 and must contain information regarding the location of the dairy or
12 animal feeding operation and other information the department may
13 require.

14 (b) A person claiming an exemption under this section must keep
15 records necessary for the department to verify eligibility under this
16 section. The exemption is available only when the buyer provides the
17 seller with an exemption certificate in a form and manner prescribed by
18 the department. The seller must retain a copy of the certificate for
19 the seller's files.

20 (4) The definitions in this subsection apply to this section and
21 RCW 82.12.890 unless the context clearly requires otherwise:

22 (a) "Animal feeding operation" means a lot or facility, other than
23 an aquatic animal production facility, where the following conditions
24 are met:

25 (i) Animals, other than aquatic animals, have been, are, or will be
26 stabled or confined and fed or maintained for a total of forty-five
27 days or more in any twelve-month period; and

28 (ii) Crops, vegetation, forage growth, or postharvest residues are
29 not sustained in the normal growing season over any portion of the lot
30 or facility.

31 (b) "Conservation district" means a subdivision of state government
32 organized under chapter 89.08 RCW.

33 (c) "Eligible person" means a person (i) licensed to produce milk
34 under chapter 15.36 RCW who has a certified dairy nutrient management
35 plan, as required by chapter 90.64 RCW; (ii) who owns an animal feeding
36 operation and has a permit issued under chapter 90.48 RCW; or (iii) who
37 owns an animal feeding operation and has a nutrient management plan

1 approved by a conservation district as meeting natural resource
2 conservation service field office technical guide standards.

3 (d) "Livestock nutrient management equipment and facilities" means
4 machinery, equipment, and structures used in the handling and treatment
5 of livestock manure, such as aerators, agitators, alley scrapers,
6 augers, dams, gutter cleaners, loaders, lagoons, pipes, pumps,
7 separators, and tanks. The term also includes tangible personal
8 property that becomes an ingredient or component of the equipment and
9 facilities, including repair and replacement parts.

10 (e) "Permit" means either a state waste discharge permit or a
11 national pollutant discharge elimination system permit, or both.

12 **Sec. 2.** RCW 82.12.890 and 2006 c 151 s 3 are each amended to read
13 as follows:

14 (1) The provisions of this chapter do not apply with respect to the
15 use by an eligible person of tangible personal property that becomes an
16 ingredient or component of livestock nutrient management equipment and
17 facilities, as defined in RCW 82.08.890, or to labor and services
18 rendered in respect to repairing, cleaning, altering, or improving
19 eligible tangible personal property.

20 (2)(a) To be eligible, the equipment and facilities must be used
21 (~~exclusively~~) primarily for activities necessary to maintain a
22 livestock nutrient management plan.

23 (b) The exemption applies to the use of tangible personal property
24 or labor and services made after the livestock nutrient management plan
25 is: (i) Certified under chapter 90.64 RCW; (ii) approved as part of
26 the permit issued under chapter 90.48 RCW; or (iii) approved as
27 required under RCW 82.08.890(4)(c)(iii).

28 (3) The exemption certificate and recordkeeping requirements of RCW
29 82.08.890 apply to this section. The definitions in RCW 82.08.890
30 apply to this section.

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